

Waste, Fraud, and Abuse Elimination Task Force

- ***REFORMING GOVERNMENT***
- ***ELIMINATING WASTE***
- ***SAVING TAXPAYER DOLLARS***

**PUBLIC COMMENTS
AND SUGGESTIONS
QUARTERLY REPORT**

JANUARY-MARCH 2013

May 2013

WISCONSIN REFORM MATERIALS ARE AVAILABLE ON THE INTERNET

To save taxpayer dollars and promote transparency in government, all quarterly reports of the Governor's Waste, Fraud, and Abuse Elimination Task Force have been published on the Internet for the public's view.

More of Governor Walker's reforms and the comprehensive Waste, Fraud, and Abuse Commission report can be viewed via the Governor's reform website at: <http://www.walker.wi.gov/Wisconsin-Reform>.

To submit an idea directly to the Governor's Waste, Fraud, and Abuse Elimination Task Force, go to: <http://www.bestpractices.wi.gov>.

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A. Letter from the Governor

Dear Fellow Wisconsinites:

State government should be transparent, efficient, and engage in a continuous improvement process with the goal of delivering quality services to its citizens at the most affordable price possible. Unfortunately, this has not always been the case in Wisconsin.

From 2003-2010, Wisconsin's biennial budget increased 33 percent to over \$62 billion, and the Pew Center for the States identified Wisconsin as a state in fiscal peril. This is why, upon taking office in January 2011, I created a bipartisan Commission on Waste, Fraud, and Abuse. The goal was to create efficiencies by eliminating waste, fraud, and abuse in Wisconsin government.

In January of 2012, the Commission published its final report detailing their results and recommendations. The report included a total savings potential for state and local governments of more than \$455 million annually.

That is a great start, but identifying waste is not enough; we need to eliminate it. To that end, during my State of the State address in January 2012, I announced the creation of the Governor's Waste, Fraud, and Abuse Elimination Task Force. This Task Force is charged with reviewing the Commission's recommendations and investigating submissions from the public and state employees to continue our focus on saving taxpayer dollars and making Wisconsin government more efficient.

This report is the first report of 2013. In total, there were 412 suggestions in 2012. Right-sizing state government includes state government being a good steward of taxpayer dollars. The Commission and Task Force are steps to do this. By instilling a continuous improvement philosophy in state government, we can improve the quality of government and reduce its price to taxpayers.

Working together, we can be successful and continue to move Wisconsin forward.

Sincerely,

A handwritten signature in black ink, appearing to be 'S. Walker', with a stylized flourish at the end.

Scott Walker
Governor

B. Executive Summary

This report highlights the activities of the Governor's Waste, Fraud and Abuse Elimination Task Force in the fourth quarter of 2012 from October to December as it relates to submissions from the public and state employees. The Task Force was created on January 25, 2012, and was announced during Governor Walker's 2012 State of the State address.

The Task Force reviews and investigates submissions from the public via bestpractices.wi.gov. These submissions are reviewed and investigated, along with input from state agencies, by the Task Force members.

This is a summary of the submissions to the Task Force in the first quarter of 2013.

Highlights from this quarterly report:

- ✓ In the first quarter of 2013 there were 15 submissions to the Task Force from the public and state employees. Of these submissions, the majority could be categorized as relating to education, government efficiency, or public assistance. Over 85% of the submissions have been resolved and responded to.
- ✓ DWD recovered 61.5% more in fraud overpayments in 2012 vs. 2011.
- ✓ The Office of Inspector General in the Department of Health Services is beginning the year strong. In just two months they have saved nearly \$2 million in benefits and established \$1.5 in overpayments.
- ✓ In the first two months of 2013, 47 individuals were suspended from the FoodShare program.



C. Input from the Public

From January through March 2013, the Task Force received a total of 15 submissions from the public and state employees.

As shown in Table 1, the most common specific topic of the public submissions related to government efficiency and public assistance; 20% each of the total. The next most common topics other than various other were education and the health exchange.

Table 1

Topics	Percentage
Various Other	40.0%
Government Efficiency	20.0%
Public Assistance	20.0%
Education	13.3%
Health Exchange	6.7%

Suggestions included in the column 'Various Other' include issues such as complaints unique to a specific location, random agency complaints not easily categorized, and other topics that are too unique to categorize. However, these suggestions along with all others are reviewed by the Task Force.

Of the total submissions received by the Task Force, the vast majority has been resolved (86.7% of total). A complete breakdown on the status of public submissions is shown in Table 2.

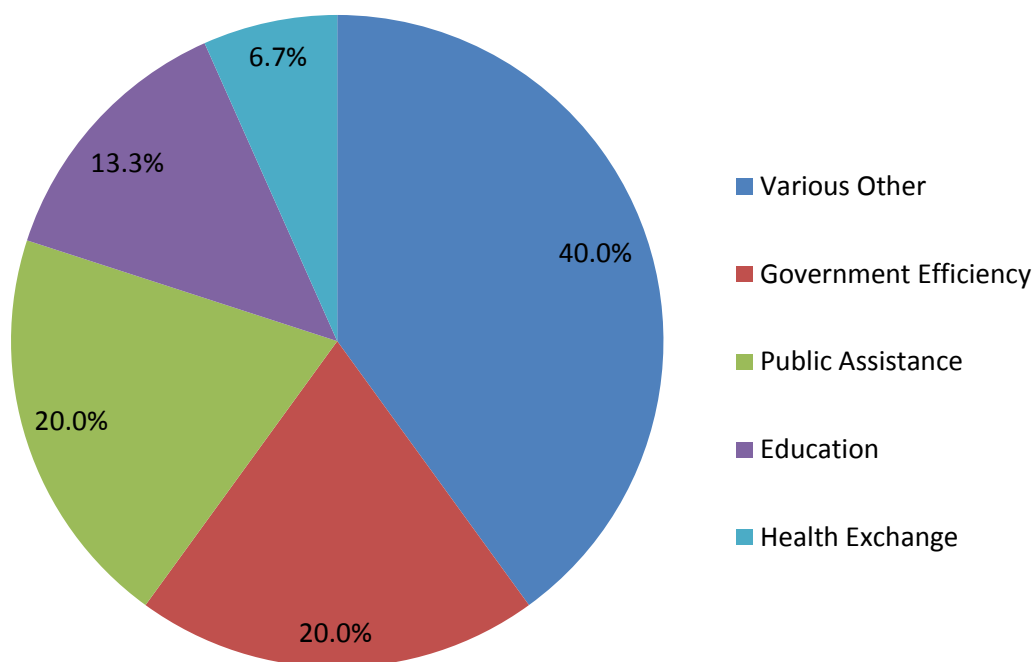
D. Public Comments and Suggestions

The Governor and Task Force are grateful for the ideas and the interest shown from the public and state employees to continue the focus to save taxpayer dollars and make government more efficient.

The Task Force reviews and investigates submissions from the public to the Task Force via bestpractices.wi.gov. These submissions are first reviewed and investigated, along with input from state agencies, by the Task Force members in the Governor's office and, after the review process is complete, decisions to advance these recommendations are brought before the full membership of the Task Force.

Figure 1

Public Comments and Suggestions by Topic



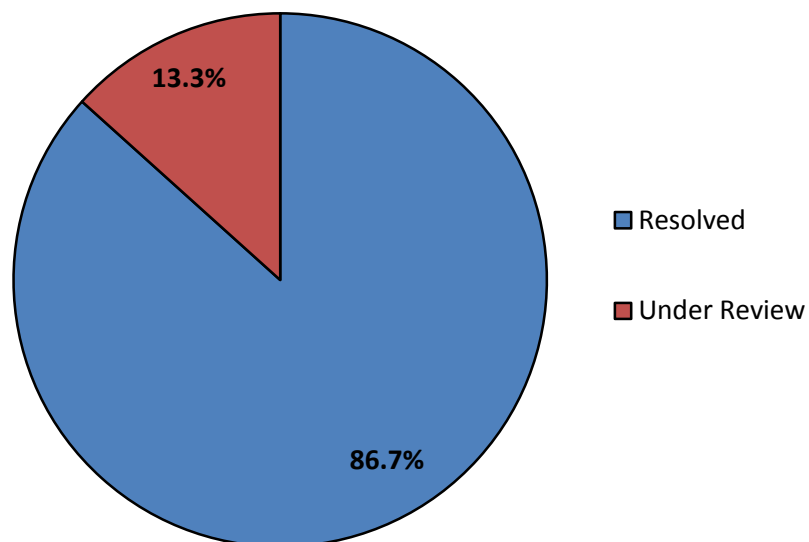
As shown below in Table 2 and Figure 2, 86.7% of public comments and suggestions submitted to the Task Force in the first quarter of 2013 have since been resolved either by Task Force members in the Governor's Office or by the Task Force's state agency sub-groups. Of the remaining submissions, 13.3% are under review. All submissions receive a response from the Task Force thanking the individual for their submission.

Table 2

Status of Public Comments and Suggestions

Status	Percentage
Resolved	86.7%
Under Review	13.3%

Figure 2



E. Select Cases Submitted to the Task Force

Reducing Unemployment Insurance Fraud

Background:

Since its inception, the Task Force has received numerous suggestions to reform the unemployment insurance system (UI). The Waste, Fraud, and Abuse Commission held hearings and offered recommendations to reduce fraud within UI. The Department of Workforce Development has been implementing reforms aimed at reducing fraud on the front end and also recouping fraudulent payments after they have been released.

DWD recently released its annual *Detection and Prevention of Fraud in the Unemployment Insurance Program* [report](#) for 2012. The results are an improvement and show the continued effort by Governor Walker's administration to reduce and eliminate waste, fraud, and abuse throughout state government.

Results include:

- DWD recovered \$25.2 million in fraud overpayments, a 61.5% increase over the \$15.6 million in fraud overpayments recovered in 2011.
- Fraud payment recoveries included over \$10 million recovered through Wisconsin's participation in the U.S. Treasury's Tax Offset Program to intercept federal tax refunds.
- DWD assessed \$39.5 million and collected close to \$9.4 million in forfeitures during the year.
- Close to \$500,000 in benefit reductions were assessed under a new state law penalizing wage concealment that took effect on October 21, 2012.
- DWD investigated 42.6% more cases and established 65% more overpayments to incarcerated individuals than 2011.
- In 2012, the UI Division recovered over \$50 million in fraud and non-fraud overpayments; a 13 percent increase from the approximately \$44 million recovered in 2011.
- Improved UI overpayment detection and collection efforts helped account for nearly \$64 million in detected and established fraud and non-fraud overpayments.

Action:

- ✓ DWD should continue to implement reforms that reduce fraud within the unemployment insurance system.

F. Waste, Fraud, and Abuse Task Force Updates

Department of Health Services Office of Inspector General Update

Governor Walker [announced the creation](#) of the Office of the Inspector General (OIG) in the fall of 2011. The goal was to consolidate and improve DHS's public assistance program integrity and fraud prevention efforts. The OIG is assisting in implementing final recommendations made by the Governor's Commission on Waste, Fraud and Abuse as well.

Previously, program integrity and anti-fraud efforts were housed within individual programs located throughout the Department. The OIG brought each of these efforts into one office reporting directly to the Secretary. The individual programs serve more than one million people and have a biennial budget of more than \$14 billion.

Below are some results from the OIG in the new calendar year. For results from 2012 go to <http://walker.wi.gov/Wisconsin-Reform/Quarterly-Reports> and review prior quarterly reports.

DHS OIG Measures	January 2013	February 2013
Medicaid Provider Activity Data		
Number of audits conducted	45	69
Provider sanctions	2	3
Number of Hotline complaints	100	80
Number of portal complaints	189	258
Recipient Fraud Unit		
Benefits Saved (Cost Avoidance)	\$1,014,462	\$919,256
Overpayments established	\$762,955	\$748,486
FS Investigations Completed	541	532
MA Investigations Completed	273	247
Persons Suspended from FS Program	30	17
Program Costs (Estimated)	\$106,000	\$106,000
Benefit/Cost Ratio (program savings per dollar spent on fraud detection)	\$16.77	\$15.73

G. Task Force Membership

Becky Kikkert

Wisconsin Department of Workforce Development

Brian Hayes

Budget Director and Administrator, Division of Executive Budget and Finance

Wisconsin Department of Administration

Waylon Hurlburt

Policy Advisor

Office of Governor Scott Walker

Jack Jablonski

Deputy Secretary

Wisconsin Department of Revenue

Steve Krieser

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Wisconsin Department of Transportation

Helen McCain

Administrator, Division of Enterprise Operations

Wisconsin Department of Administration

Kevin Moore

Deputy Secretary

Wisconsin Department of Health Services

Summer Shannon-Bradley

Administrator, Division of Facilities Development

Wisconsin Department of Administration

